

CALL TO ORDER:

Mayor Jim Rundborg called the Regular City Council Meeting to order at 7:01 p.m. He led the Pledge of Allegiance.

ROLL CALL:

Council Members Present: Sue Erickson, Dave Hunsaker, Jim Lancaster, Tony Stoker, and Sheryl Strouse
Council Members Excused: Ray Knick

STAFF:

Lisa Grysen, Larry Jerue, Dan Matson, and Chris Olson

AUDIENCE:

Mike Lee, Paul Hartlieb, Theresa Dubiel, and John Czarnecki

APPROVAL OF AGENDA:

Motion by Hunsaker, seconded by Strouse and carried by unanimous vote of the Council that **the agenda be approved with the addition of NB #1 Consideration and Approval of the FOP Contract and NB #2 Approval of the MERS Contribution increase from 1.65% to 2.8% for the Union Police Officers .**

SPECIAL AGENDA ITEMS:

1. Appointment of the Clerk-Treasurer: With the retirement of Denice Smith, it is necessary to appoint a qualified person to hold the title and to perform, or see to the performance of the duties as required by statute and under the City Charter.

Lisa has served as the City's deputy clerk for nine years and in 2009 achieved certification as a municipal clerk (CMC) in the State of Michigan, as well as an accreditation as an election official from the Michigan Secretary of State in 2006.

Motion by Erickson, seconded by Strouse and carried by unanimous vote of the Council to **approve the prepared resolution which combines the positions of Clerk and Treasurer in accordance with the City Charter and to confirm Mayor Rundborg's appointment of Lisa M. Grysen as the Clerk-Treasurer for the City of DeWitt for an indefinite period and to direct the necessary amendments of the employment agreement for Lisa M. Grysen.**

Dan Matson administered the Oath of Office to Lisa Grysen.

2. Annual report, Clinton County Economic Alliance (CCEA) by John Czarnecki, Executive Director: Mr. Czarnecki reported that Clinton County has the 4th or 5th lowest unemployment rate in the State of Michigan and that Quest Software (St. Johns) has received a grant allowing them to purchase two new buildings and equipment. This business will add 32 employees to its workforce. The Village of Ovid received a \$250,000 grant for repairs to their water tower and the Village of Maple Rapids received a \$400,000 grant for sewer system upgrades.

Mr. Czarnecki traveled to Spring Hill Tennessee to promote the DeWitt/St. Johns area to the General Motors workers who are being transferred to the Delta Plant in Lansing. A majority of the workers being transferred are within 5 years of retirement and will be looking for housing to rent

until they are eligible for retirement and will then probably return to the Spring Hill area. Delta Township representatives were also at this gathering.

The CCEA sends out a monthly newsletter via e-mail. Anyone interested in being added to this e-mail list should let the City Administrator know.

Mr. Czarnecki mentioned 2 goals that CCEA has for 2010. The first is for Clinton County to have the lowest unemployment rate and the second is for Clinton County to have the greatest increase in State Equalized Value or the lowest reduction in State Equalized Value.

Motion by Erickson, seconded by Strouse and carried by unanimous vote of the **Council to receive and file the annual report for 2009 from the CCEA, and to transmit the report to the DeWitt Downtown Development Authority**

APPROVAL OF MINUTES:

Motion by Lancaster, seconded by Erickson and carried by unanimous vote of the Council that **the minutes for the February 23, 2010 Special City Council Meeting be approved as presented.**

PUBLIC COMMENTS: None.

OLD BUSINESS:

1. Fiscal Year 2009-2010 Mid-Year Budget Amendments: The city administration reviews the budget for necessary adjustments twice each fiscal year (at the mid-term and end of each year) in order to reflect changed conditions affecting revenues and expenses. Listed below is a synopsis of the changes with a detailed breakdown attached. It may also be helpful to examine your December 2009 and January 2010 monthly financial reports, which were previously e-mailed to you by Treasurer Lisa Grysen. I have also taken into account the preliminary January revenue/expense statement, as well as doing further projection work.

On a per-fund basis, we would like to inform you of the following:

General Fund – Details for the general fund are found on pages 1-5 of the attachment. There are anticipated increases in grant revenues (\$13,000 for police in-car cameras and \$23,000 for the final reimbursement amount for All-Kid's Playground), a total of \$9,000 for cemetery lot sales and grave openings, \$17,750 additional miscellaneous revenues (mainly reimbursements for professional services related to the Oaks), and \$5,000 in added sewer/refuse late payment penalties. These are the areas where we are seeing significant added revenues. Along with various smaller increases and slight decrease in anticipated parking fines, we are seeing a total of \$70,000 over budgeted revenues. Offsetting this positive news is that we are anticipating a \$30,000 revenue reduction in state-shared revenues.

The net anticipated change for general fund revenues is a positive \$40,000, which brings revenues up to \$2,875,000. However, it should be noted that most of the added revenues are related to reimbursements for added expenses, discussed below.

On the expense side of the general fund, there have been increased expenses to respond to opportunities and conditions that have occurred since budget approval in May 2009.

The general fund departments not requiring adjustment at this time are: City Council, Administrator, Elections, Assessor, Clerk, Retiree Benefits, Cable TV, Treasurer, Tree Commission, Safety/Training and Fire. However, there will be changes in the Clerk, Treasurer and Retiree Benefits areas for the end-of-year budget amendments to reflect the changes recently approved with Denice's retirement. We will handle those changes in the end-of-year amendments.

The first department where budget amendments are proposed is in City Hall/Grounds (department 265). Worker's compensation insurance is now projected to be \$3,000 higher than originally budgeted. Budgetary adjustments are also necessary to recognize the amount of specialized legal services work that has occurred so far this year on (a) the Oaks subdivision matters, (b) finalization of the assessor's plats, (c) the charter review committee meetings and related research and documentation, (d) ordinance enforcement and (e) the recent real estate purchase near Riverside Park. It is proposed to add \$7,000 to legal services at this time. Reductions of \$1,000 each are noted in property/liability insurance as well as projected telephone expenses that are contained in this department. The total increase to department 265 is \$8,000.

In the police department (301), there are some untypical overtime expenses. This is due to scheduling to cover an extended FLMA leave that occurred this year, some added court case time and a reduction in the number of available part-time employees (shifts were covered with full-time employees). The other police department increase is for the purchase of in-car cameras (which are grant-funded). The total increase to this department is \$18,000.

In public services (department 441), we have an increased cost for the use of temporary employees during leaf collection. This was necessary due to the number of days off incurred by full-time employees during this time period. There is also a minor increase of \$500 for the allocation of property/liability insurance to this area. A proposed reduction to offset overall general fund costs is to eliminate the \$70,000 capital expense for the proposed salt barn.

In the planning department (721), there are increased costs for engineering and planning services related to addressing the issues for the Oaks subdivision. Most of these expenses are being reimbursed, as noted in the above revenue discussion.

In the parks facilities (department 751), there has been considerable activity for the first half of the year requiring budgetary adjustments. Labor, social security and repair/maintenance supply expenses are higher due to added park repair and maintenance. The projects accomplished include the concrete raising work, pavilion painting and the added drain tile to address the chronic flooding problem in baseball field #2. An additional \$2,500 is proposed to professional services in order to provide funds for conceptual design work to integrate the duplex property into Riverside Park.

A reduction of \$1,579 is proposed for reduction to operating supplies, which will mainly affect fertilizing. Property insurance was allocated to parks, so \$1,000 is being budgeted (this was formerly paid out of the 265 account). The final bills for completing the All-Kids Playground were charged to the miscellaneous and capital outlay/miscellaneous accounts; these costs will be partially offset by the final MRPA grant reimbursement noted in the general fund revenues discussion. The major recommended budget amendment is a cost increase of \$110,000 for capital outlay/land improvement. This is to allocate for the duplex property purchase as well as for related demolition expenses.

This department of the budget has the largest overall increase due to the above activities. Provided that these projections hold through the end of the fiscal year, the net effect of the budget amendments at this point anticipate that the general fund will see a \$109,000 deficit. The overall proposed budget amendments will reduce the anticipated general fund balance from \$889,648 to \$780,648, which is 26.2% of net operating expenses. This is still within discussed parameters of maintaining a 25% minimum fund balance at fiscal year end.

Motor Pool – This is found on page 6 of the attachment. Additional miscellaneous revenues of \$4,000 are anticipated, but no cost increases beyond what is budgeted at this time. This could change by the end of the fiscal year, depending upon repairs that are necessary for the vehicle fleet in the next 6 months. The motor pool fund balance is healthy, and you see that a surplus of \$8,000 is anticipated.

Major Streets – Please refer to page 7 of the attached for details. There are no changes in revenue projections at this time, but we will continue to closely watch this fund over the next 6 months. Act 51 revenue collections are down state-wide, so it is reasonable to anticipate a reduction in the second half of the fiscal year.

On the expense side, we are planning for added engineering expenses for paving. This is offset by a reduction in the construction account, as we anticipate changing from the planned partial repaving of Wilson Street to the full repaving of Bridge Street in the event of being awarded a stimulus grant. Some funding is left in construction for local match, particularly the repaving of the on-street parking area along Bridge Street (which is not grant eligible). Additionally, there are some slight increases in expenses for labor, benefits and equipment costs for routine maintenance.

Overall, we anticipate a \$6,000 reduction in major street expenses, which reduces the overall planned deficit.

Local Streets – The changes in this fund are internal, as you will see on page 8. Routine maintenance costs are up by \$6,000, but we are anticipating offsetting this increase by reducing the repair/maintenance account by the same amount.

Water/Sewer – We are pleased to report that anticipated revenues will be up approximately \$30,000 due to new connections, capital charges and interest earnings. Expenses are expected to remain the same at this point in time. We will be receiving a report from SCCMUA of some work on the collection system that is needed in conjunction with the street work as discussed above. Please see page 9 for those details.

There are no amendments at this time proposed for the Special Donations, Public Improvements/Public Buildings, Drug Law Enforcement, and Cemetery Perpetual Care funds, found on pages 10-13 of the attachment.

Building Department – It is good to report that revenues and expenses are both up by \$7,000 each in this fund from the original budgets of \$18,000 in revenues and \$18,000 in expenses. Please see page 14 on the attached. This represents an upswing in activity that has occurred this fiscal year in home construction and overall repairs and improvements. A total of 150 paid

permits occurred in calendar year 2009, which you will see in a later report. This budget continues to be balanced.

Motion by Stoker, seconded by Hunsaker and carried by unanimous vote of the Council **to approve the Fiscal Year 2009-10 Mid-Year Budget Amendments as presented.**

2. WECS Ordinance: An amended Wind Energy Conversion Systems (WECS) ordinance as recommended for your approval by the Planning Commission at their February 25, 2010 meeting has been prepared. This proposal should address all of the prior concerns regarding flicker, interference, noise, structural matters, national standards, etc., as discussed in December 2009.

No Action taken due to lack of a motion and support.

3. Master Plan Rejection: An amended resolution which re-affirms the Council's desire to reject the August 2009 draft of the master plan has been prepared. The prior resolution had addressed specific objections to aspects of the master plan, but did not come out and directly state that the August 2009 master plan was rejected in its entirety due to those objections.

There are two additional questions at this point:

a. At the PC meeting, Commissioner Mike Lee asked about the re-insertion of language allowing medical/professional office uses for Area 6, which received a consensus of the PC. Consultant Rob Nesbitt is prepared to work on language in the master plan to allow this as part of doing another proposal, as requested by the Planning Commission, but has been instructed to hold off on that until it could be discussed at the March 2 meeting.

b. Would you like to have Carmine Avantini and/or Val Lazdins of LSL put on the official presentation that goes with the powerpoint slides on commercial development life cycle at an upcoming Council meeting? The presentation is about an hour. There is context that may be insightful, but there would be an expense to that. If you prefer, this could occur at a planning commission meeting.

Motion by Hunsaker, seconded by Strouse and failed by roll call vote of the Council **to approve the prepared resolution which specifically rejects the August 2009 master plan, and to provide your preferences on the above questions.**

Roll Call Vote:	Strouse	Yes	Stoker	No
	Erickson	Yes	Lancaster	No
	Hunsaker	Yes		

NEW BUSINESS:

1. Consideration and approval of the 2009-2012 FOP Union Contract: The FOP union contract is ready for Council approval. The union has ratified the agreement. The full contract showing the language deletions and additions has been prepared. In summary, the following changes occurred:

Wages:

FY 2009-10 2.00%
FY 2010-11 1.75%
FY 2011-12 1.50%

Health Benefits:

Existing insurance language was not changed (was dramatically changed in 2006).
A large-deductible with a health savings account option is offered.

Pension Benefits:

Union member payroll deduction contributions are increasing from 1.65% of payroll to 2.80% of payroll for the MERS B-4 defined benefit pension plan.

Language matters:

Disciplinary matters: A more realistic clause dealing with employee disciplines was put into article 6. In particular was the definition of all suspensions of 30 days or less being called "minor."

Comp Time: patrol officers can accumulate up to 100 hours. There is no material effect on the City.

Motion by Erickson, seconded by Hunsaker and carried by unanimous vote of the Council **to approve the union agreement with the FOP on behalf of the DeWitt patrol officers from July 1, 2009 to June 30, 2012.**

2. MERS Contribution Increase: The FOP and the City of DeWitt have negotiated an increase in the employee contribution portion from 1.65% of payroll to 2.80% of payroll for the MERS B-4 defined benefit pension plan.

Motion by Lancaster, seconded by Hunsaker and carried by unanimous vote of the Council **to approve the MERS resolution to increase the patrol officer contribution rate from 1.65% of payroll to 2.80% of gross wages for the patrol officer's union (division 02).**

COUNCIL/STAFF REPORTS: None.

ADJOURNMENT:

Motion by Stoker, seconded by Hunsaker and carried by unanimous vote of the Council that **this meeting be adjourned at 9:07 p.m.**

Respectfully submitted,

Lisa M. Grysen
City Clerk-Treasurer

James Rundborg
Mayor